

CO: Paul

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12/11/2007

To: State of Utah
Department of Natural Resources
Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

Attn: Will Stokes

Re: Tony M, Lucky Strike Mine Area, M/107/001 (T.34S.R.11E Sec 16) Reclamation of ore stockpiles.

Dear Mr. Stokes,

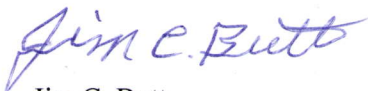
Thank you for taking the time to speak with me on the phone a few days ago. As you are aware, the reclamation work on the Tony M mine was completed except that the grass has failed to grow on the ore piles themselves. It has been recommended that plant-growth material be placed over the ore piles in an effort to complete the reclamation.

This proposal is simple and efficient; however, with the price of uranium, it may be feasible to remove the ore piles. Depending on the grade of the ore, these piles could be profitably shipped to the mill for processing. That material which is below grade could be covered with topsoil and reseeded to complete the reclamation. It would be logical to pursue this course if the market value warrants it. The largest cost will be the transportation of the ore from the site to the mill.

I propose that the State allow me to remove the marketable ore and perform the remaining reclamation. Perhaps we could arrange a royalty agreement that would be profitable for the State and still accomplish our reclamation objectives.

Please let me know what you think of this plan. I would welcome the opportunity to discuss the details with you. Thank you for your efforts. I look forward to hearing from you.

Very Sincerely,



Jim C. Butt